

Improving the Safety Net for Single Mothers Who Face Serious Barriers to Work

Rebecca M. Blank

Summary

Rebecca Blank explores a weakness of the welfare reforms of the mid-1990s—the failure of the Temporary Assistance to Needy Families program to address the plight of so-called “hard to employ” single mothers and their children. TANF has moved many women on the welfare caseload into work, but the services it provides are not intensive or flexible enough to meet the needs of women with multiple disadvantages who find it difficult to get and keep full-time employment.

Blank notes that many of these women have lost welfare benefits because of their failure to find work. Increasingly, studies show that the number of single mothers who are neither working nor on welfare has grown significantly over the past ten years. Such “disconnected” women now make up 20 to 25 percent of all low-income single mothers, and reported income in these families is extremely low. Disconnected women are likely to report multiple and serious barriers to work, including low education, learning disabilities, health problems, or a history of domestic violence or substance abuse. Counting both longer-term welfare recipients and women who are neither working nor on welfare, Blank estimates that about 2.2 million women who head families are not able to find jobs or, if they do, cannot keep them. And almost 4 million children are in the care of these severely challenged single mothers.

Blank proposes a Temporary and Partial Work Waiver Program to provide more effective employment assistance and other supports for these women and their children. The program she proposes would recognize that some women might be able to work only part-time or be temporarily unable to work. It would supplement their earnings while also offering referral to services that both address their own work barriers and provide help for their children. The support, however, would be temporary. Women would be regularly reassessed for their readiness to return to work or work more hours. Such a program, Blank notes, would require intensive case management. Estimating the cost of such a program is difficult, she explains, because costs would depend heavily on the number of women who participate. But she offers a rough estimate of \$2.8 billion, some of which is already being spent as part of the current TANF program.

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Welfare reform efforts during the mid-1990s led all fifty states to increase the scope of welfare-to-work programs and require more welfare recipients to participate in them. Although most of the adult caseload entered employment during the years following reform, some women continue to receive welfare benefits—through the Temporary Assistance for Needy Families (TANF) program—while remaining jobless. Although recent changes in welfare reform law will intensify the demand that women receiving TANF move toward work, not all the unemployed women now on TANF will be able to make the transition to work. And a fast-growing share of single mothers has already left welfare (either voluntarily or involuntarily) but is not working. By my estimate, 20 to 25 percent of all low-income single mothers (those with household income below 200 percent of the official poverty level) fit in this latter category in 2004.

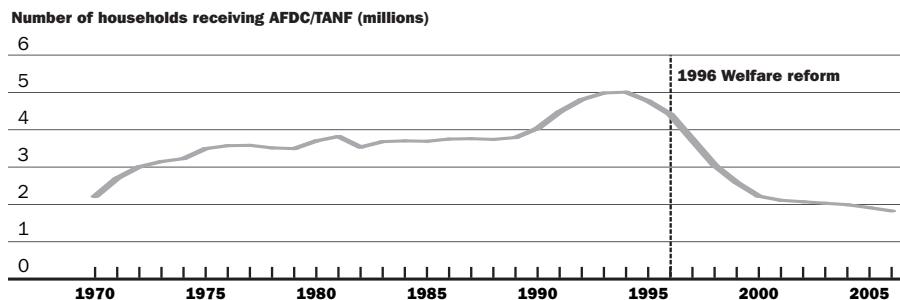
In this article I examine the issues faced by women who have multiple barriers to work and for whom substantial work, at least in the short run, is difficult. These hard-to-employ women are increasingly being moved off TANF in response to growing demands that welfare recipients begin work. They are largely not eligible for disability assistance through the Supplemental Security Income (SSI) program, because although their ability to work is seriously impaired, they do not meet SSI's strict disability requirements. An increasing number of highly disadvantaged single mothers thus cannot access either welfare support or SSI.

To meet the needs of these women, I propose that states design a Temporary and Partial Work Waiver Program to assess family needs,

set realistic and limited work requirements (providing at least partial support), and link these women to other services that can help them address the issues that limit their access to employment.

The new program would be more flexible than either TANF or SSI and would serve highly disadvantaged women both on and off welfare. Recognizing that some women cannot move into full-time employment, it would allow for partial work waivers, while continuing to demand that women work as much as they are able to. Recognizing that barriers to work can change over time, it would make waivers temporary and would regularly reassess the women's ability to work. The program would cost about \$5,200 per woman served, though precise costs would depend heavily on the nature and availability of special services (such as job training, mental health programs, or substance abuse programs). Assuming that the program operated in all fifty states and that it were used by one-fourth of the low-income single mothers who appear to have difficulty finding work (a maximal participation assumption), it would cost around \$2.8 billion a year. Only a portion of that estimate represents new spending; some of these women would receive funding through TANF, and some of the services that would be provided through the new program are already funded from other sources.

The new program would provide services to women and children in some of the nation's poorest families—families that are increasingly disconnected from public support of any kind. It would enable states that wish to provide some type of safety net for these families to balance ongoing work requirements with the recognition that at least some single mothers face formidable barriers to work.

Figure 1. Total AFDC/TANF Caseloads

Source: Agency for Children and Families, Department of Health and Human Services (www.acf.dhhs.gov).

Note: 2006 data are through March. AFDC is the acronym for Aid to Families with Dependent Children. It was the precursor to TANF.

Welfare Reform, Reduced Caseloads, and Increased Work—by Some

As shown in figure 1, welfare caseloads plummeted during the 1990s. Between 1994 and 2004, the number of adults on welfare fell 60 percent, from 5 million to 2 million. Caseloads began falling even before passage of the 1996 welfare reform law. The decline slowed during the early 2000s, when economic growth slowed and unemployment rose, but to many people's surprise it has continued, though many families remain on welfare and only about one-third of these families' adult heads met work requirements in 2003.

The remaining TANF caseload includes at least three groups, only one of which is seriously disconnected from work. One group includes long-term and short-term TANF recipients who are working relatively steadily, especially in states with lower benefit reduction rates (the rate at which benefits are reduced as earnings increase) where women can combine welfare benefits with low-wage work. Another group includes short-term nonworking TANF recipients who use benefits after some economic disruption in their lives, but then leave welfare relatively quickly.

The third group—longer-term recipients who are not working or working only sporadically—is of most concern. Experts estimate that these longer-term (and typically non-working) welfare recipients make up 40–45 percent of the caseload.¹

In addition to long-term TANF participants, in some states there are certain families who have been moved off TANF and into special state programs (SSPs). As of 2003, thirty states had created SSPs as a way to avoid counting these families toward their TANF welfare goals. Participants in SSPs are not included in the TANF caseload because they are funded by state dollars rather than the TANF block grant, even though they typically receive benefits on the same formula as those receiving TANF. In 2003, an estimated 320,000 women—14.6 percent of adult welfare recipients—were in an SSP for part or all of the year, although in some states the share is much higher.²

The substantial declines in TANF caseloads since the mid-1990s might lead one to expect that the remaining caseload would be more and more heavily populated by the more disadvantaged and longer-term recipients. But though this group represents a large share of

the caseload, its share does not seem to have increased.³ The explanation appears to be that more disadvantaged women have left welfare at about the same rate as more work-ready women. Since the 1996 law was passed, more and more women are being involuntarily terminated from welfare, either through sanctions or through time limits. All states have imposed sanctions on women who do not follow program rules (for example, if they do not show up for welfare-to-work programs). And since states implemented their TANF plans, a federal sixty-month time limit has applied to the majority of the caseload, with about one-fourth of the states imposing even stricter limits. Many studies have noted that more disadvantaged women (those with the characteristics of long-term welfare recipients) are more likely than others to be sanctioned or time limited.⁴

How Many Women Are neither Working nor on Welfare?

Because of the time limits and sanctions that cause women to leave welfare, and because not all women who leave welfare for employment are able to keep their jobs, the share of women who neither work nor receive welfare has been rising. One recent study concludes that six years after welfare reform, as many as 18 percent of former welfare recipients were disconnected from both work and welfare.⁵ The well-being of this group of “disconnected” welfare leavers is of increasing concern.⁶

Table 1 shows that these disconnected mothers are becoming a greater and greater share of all low-income single mothers. In the first column, disconnected mothers are defined as those who report no work and no welfare income over the entire past year and do not report “schooling” as a primary activity. In the second column, disconnected mothers are defined more expansively: they are not in

Table 1. Share of Disconnected Low-Income Single Mothers among All Low-Income Single Mothers, 1990–2004

Percent

Year	Definition 1 ^a	Definition 2 ^b
1990	10	14.8
1995	11.6	16.2
2000	13.7	18.8
2001	16.4	21.7
2002	17.3	22.9
2003	16.5	21
2004	19.6	25.3

Source: Data tabulated by the author from the March Supplement of the Current Population Survey. Includes all single mothers, ages eighteen to fifty-four, living with children aged eighteen or younger, in households where total income is less than 200 percent of the official poverty line.

a. Definition 1: Mother has no welfare or work income reported in the previous year. In 2004, this group numbered 1.35 million.

b. Definition 2: Mother reports no more than \$2,000 in earnings and no more than \$1,000 in public assistance income over the previous year. In 2004, this group numbered 1.73 million.

school, and they report less than \$2,000 in earnings and less than \$1,000 in public assistance over the past year.

Under both definitions, the share of disconnected mothers has risen sharply since the early 1990s. The share reporting no work and no welfare income rose 69 percent, from 11.6 percent to 19.6 percent, between 1995 and 2004. The share reporting only limited work or welfare income rose 56 percent, from 16.2 percent to 25.3 percent. As of 2004, between 1.4 million (by the first definition) and 1.7 million (by the second) low-income single mothers qualified as disconnected. Similar increases in the number of women not at work and not on welfare have also been reported in the national Survey of Income and Program Participation and in state-specific surveys.

Who are these disconnected mothers? Table 2 describes their characteristics as reported in 2004, using the same two definitions. Again,

Table 2. Characteristics of Disconnected Low-Income Single Mothers in 2004

Percent, except as indicated

Characteristic	Definition 1	Definition 2
Domestic arrangement		
Living with other adults	50.1	49.9
With a parent	23.5	23.6
With unrelated male	18.2	18.2
Average number of children	1.8	1.8
Income (2003)		
Average self (in 2000 dollars)	4,435	4,287
Average household (in 2000 dollars)	19,607	19,437
Median household (in 2000 dollars)	12,934	12,379
Share with household income below poverty	72.6	73.2
Work		
Labor force participation last year ^a	13.0	28.9
Current labor force participation ^b	20.5	30.0
Race/ethnicity		
White or other non-Hispanic	42.6	44.2
African American, non-Hispanic	28.0	28.6
Hispanic	25.4	23.3
Education		
Less than high school degree	35.2	35.5
High school degree only	37.4	36.7
Disability		
Receiving disability income	3.7	3.1
Disability as reason for not working last year	31.9	31.9

Source: See table 1 for source and definitions.

- a. Employed or searching for employment at some point in 2003.
 b. Employed or searching for employment last week.

whether they report occasional or very low rates of work and welfare use or report being completely disconnected, the two groups look very similar. About half live in households with other adults: 23 percent with their parents, 18 percent with unrelated men. It is perhaps surprising that the share living with other adults, who may provide potential sources of income, is so low (though it is high relative to less disadvantaged adults). Fully half of these disconnected women have no other adults in the

household to provide additional income. (However, while some observers argue that only single women living without other adults are truly “disconnected,” one should note that some single women may have difficulty holding jobs *because* they live with other adults who need care and attention.)

In 2003 these women’s personal income averaged around \$4,300 (in 2000 dollars). Even though many resided with other adults, their average total household income was less than \$20,000. Median incomes were well below average incomes, and for at least half of these women total household income was less than \$13,000. Nearly 75 percent had household income below the poverty level. By contrast, 43 percent of “connected” low-income single mothers (that is, those who are working or on welfare) are below the poverty line, while their average household income is more than \$27,000. In short, disconnected women live in very poor households, even taking into account their high likelihood of living with another adult. Even if they are receiving additional (unreported) economic help from family and friends outside their household, their resources are so low that they are still likely to be quite poor.

Fewer than half of these disconnected women are white, non-Hispanic; more than one-quarter are African American; another quarter, Hispanic. More than 70 percent have only a high school degree or less. Although only 3 to 4 percent report some sort of disability-related income, around 30 percent report disability or illness as the reason for not working, which suggests that a significant minority have some serious health problems.

By my estimate, there are approximately 1.7 million disconnected single mothers, based on the more expansive definition above. The

estimated 40 percent of the single-mother TANF caseload that are long-term cases (I exclude child-only cases in this calculation) and the single mothers in SSP programs together add about another 500,000 disconnected mothers. These rough calculations suggest that some 2.2 million women who head families do not support themselves either with welfare or with their own earnings. That is not a trivial number. If these women have, on average, 1.8 children, almost 4 million children live in these severely economically challenged families.

Why Aren't These Women Working?

A growing research literature has been trying to determine why some women can successfully enter work and why others either do not move into work or do begin to work but cannot hold a stable job. The findings suggest unambiguously that women who do not move into stable employment are disadvantaged along a number of dimensions. Researchers have identified six primary barriers to work.⁷

First, women who stay on welfare or cannot find stable employment have less education—and more learning disabilities—than those who find and keep work. Second, these women are more likely to have past or current problems with substance abuse.⁸ Third, they have higher rates of depression and other forms of mental illness, as well as more physical health problems.⁹ Fourth, they tend to have younger children or larger families, or both, and they are more likely to be caring for someone with health issues, either a child or another relative. Fifth, they are more likely to report a history of domestic violence or a current relationship that involves domestic violence.¹⁰ Finally, many live in central cities, where welfare caseloads have fallen less than in other parts of the country.¹¹

Most welfare leavers who have trouble finding or keeping employment face one or more of these problems. One study finds that more than half—57 percent—had multiple barriers to work, compared with only 17 percent of those who had found work.¹² A series of in-depth assessments of a small group of single mothers who were about to exceed time limits in one county in Minnesota found that all had some combination of serious cognitive limits, mental and physical health issues, a lack of community and social networks, and limited management and decisionmaking skills.¹³ Such evidence explains why these long-term TANF recipients have not moved into employment and suggests why they are likely to be jobless after their TANF benefits end.

The success of welfare reform, together with the growth in the number of disconnected women, may be compared to deinstitutionalization and the growth of homelessness during the early 1980s. As Christopher Jencks has suggested, efforts during the 1970s to stop the warehousing of mentally disabled adults in substandard state hospitals appeared at first to be “successful” because the disabled were initially taken in or helped by families.¹⁴ But over time such help became harder to maintain, and homelessness rose within this population. Likewise, the initial success of efforts to move low-skilled single women out of welfare and into employment may not have been sustainable for the more disadvantaged welfare leavers. Over time, families may grow less willing to provide help to single mothers who cannot keep jobs, and disadvantaged women who initially find jobs (for example, in a very strong economy in the late 1990s) are not able to keep them. The result could be an erosion of employment gains among disadvantaged welfare leavers and a rise in the share of women disconnected

from both work and welfare. This particular story remains to be proven, but it provides one interpretation for the rising numbers of disconnected women in recent years.

A Growing Policy Concern

Recent changes in federal legislation will increase states' attention to women on welfare who have not successfully transitioned into employment. In January 2006 Congress passed revisions to the TANF legislation that require states to have 50 percent of their current welfare caseloads at work or in work-related programs. Although the original 1996 law also had a 50 percent work requirement, it reduced the share of the caseload required to work in states whose caseloads fell over time. For example, if the caseload fell 25 percent in a given state, that state's work requirement would be 25 percent (50 percent minus 25 percent). Because all states experienced caseload declines, their work requirements declined and, over time, the required share was much lower than the 50 percent standard. The reauthorizing legislation sets the 50 percent work requirement on current caseloads, thereby eliminating previous caseload declines from the work requirement calculation. It also requires states to include women who are in SSPs in their welfare caseloads. States that do not meet this new work requirement will lose part of their federal block grant.¹⁵

Virtually no state now meets the 50 percent work requirement; some are far from meeting it. Using the counting rules in the new legislation, the average state participation rate—the share of the caseload meeting the work requirement—in 2003 would have been 30 percent.¹⁶ States that do not want to face financial sanctions must find a way to move more of their nonworking caseload, both in TANF and in SSPs, into work.

These new requirements create a strong incentive for states to remove disadvantaged women from the caseload through time limits and sanctions, so that more women on welfare can hold at least part-time work. An increasing share of hard-to-employ women may thus lose TANF benefits and join the already growing group of women who are not on welfare and not working.

A Proposed Policy Response

Public attention over the past fifteen years has focused on moving women into work. It has not yet adequately addressed the reality that some women are not making this transition. It is time to rethink policy for women who face such serious disadvantages, and often so many of them, that full-time and steady employment is not possible. As noted, increasingly these women are losing access to welfare. Many have already left TANF, in part because of sanctions and time limits, and recent changes in the law will only accelerate this process.

Most women in this group also lack access to SSI, the primary federal low-income disability program (the poor elderly do qualify for SSI). During the 1990s, states made a concerted effort to move as many women (or their children) as possible onto SSI, in part because the program is funded primarily by federal dollars, whereas nearly half of welfare dollars are paid by states. To receive SSI, one must meet low-income eligibility standards, have a medical disability that will last at least twelve months, and be unable to engage in "substantial gainful activity" (as defined by a monthly earnings amount). Essentially, an SSI applicant has to prove that she is largely unable to work. Although SSI participants are encouraged to work if they can, not surprisingly a very small share of the SSI caseload does work.¹⁷

Policy analysts have increasingly been recognizing the need for some sort of temporary or partial disability system that allows people to receive partial support (for problems that limit work but do not create complete disability) or temporary support (for problems that may not be permanent but that limit work in the short term).¹⁸ Such an approach is widely used in European social welfare systems and in private disability systems in the

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United States. The current public U.S. disability system for low-income people does not recognize that “disability is a dynamic process rather than a static classification.”¹⁹ I propose that states create a Temporary and Partial Work Waiver Program to assist hard-to-employ low-income mothers.

States must address the needs of the growing population of disconnected mothers and their children who are receiving support neither from TANF nor from SSI. Women who are not receiving TANF benefits are less likely to receive other services for their children or themselves, including food stamps and Medicaid.²⁰ States must also address the needs of long-term TANF recipients who need more help in moving to employment than most short-term job search programs can provide. Helping these women deal effectively with their barriers to employment

can move them toward greater economic self-sufficiency and reduce the need for states to impose time limits or sanctions. In short, my proposed program could serve both disadvantaged women in the TANF caseload and women outside TANF who have not found stable employment. (Some other low-income family heads who are not single mothers might need and be eligible for the services provided by this program. For convenience, I discuss the program as if it were available solely to single mothers; in reality, it is likely to be used primarily by them.)

A state Temporary and Partial Work Waiver Program would, like TANF, demand that its clients work as much as possible, but it would provide economic stability and support to highly disadvantaged families. It would have more flexibility than TANF. For example, it would recognize that many of these women may be able to work part time or irregularly even if they cannot work full time; that the circumstances that create work barriers may change, necessitating changes in levels of support; and that these families must be linked with medical and economic supports both to prevent extreme poverty and to ease the severity and duration of the barriers that keep the mothers from work.

What would such a state program look like? It would begin by assessing (and later, as appropriate, reassessing) the family’s health problems, the mother’s personal and skill limitations, and the family’s overall economic situation. Then, if TANF or SSI support was not feasible, it would determine eligibility. Two key questions would be how much work could realistically be expected and how long support should be provided before a re-assessment is in order. The program would determine whether barriers to work should be considered full time or partial and would

provide support for the family (at the level of TANF monthly benefits) accordingly. For example, a woman whose work barrier is judged to require a 50 percent work waiver would be eligible for 50 percent of the TANF benefit, based on the assumption that she is able to work part time. The program would then refer the mother to other available services, such as mental health services, substance abuse services, counseling on domestic violence, job training, and subsidized child care. Caseworkers would also assist families in applying for programs such as food stamps, the federal nutrition program for infants and children, or Medicaid. Finally the program would involve case management. A caseworker would regularly assess how the family is doing with regard to employment, child well-being, and the use of services.

A client could enter the program in many ways. The TANF system could refer its more disadvantaged clients who have not found jobs. It could also refer people who have lost TANF eligibility either through time limits or through sanctions. Some states may want to refer some new TANF applicants to this program, rather than enrolling them in TANF. The SSI program could refer people turned down for SSI assistance who are not on TANF. People not connected to any public assistance programs could also request help. Some of these clients might receive support in the program through TANF block grant funds and some could be funded out of other dollars.

I would propose setting up the program as a separate funding and program stream that states would administer as part of their TANF-related programs. On the one hand, program participants would be outside the standard TANF caseload counts; they would

not be subject to TANF rules on time limits once they had a waiver, and they would not be counted as part of the state's caseload that is subject to forty-hour work requirements. On the other hand, participants would continue to face work requirements (either current and part-time or forthcoming at the end of their waiver) and could be sanctioned if they do not participate in mental health or counseling services to which they are assigned or if they do not fulfill their (part-time) job search or employment expectations.

Three examples will show how various clients might interact with this system. In the first, a mother who is caring for a partly disabled preschooler is initially given a full work waiver. Once the child reaches school age, the mother is given a partial work waiver and expected to find work that allows her to be home outside school hours.

In the second, a mother who was sanctioned off TANF a year ago but has not been steadily employed is initially assessed and found to have a history of substance abuse. States with substance abuse programs may want to refer her to such a program and to reassess when she has completed it. Some states may be willing to provide a partial waiver but require part-time work. Other states may link her with food stamps and Medicaid and make sure the children are adequately cared for, but refuse additional help given her earlier TANF sanctions.

In the third, a mother who left TANF with a job but has since worked only sporadically is initially assessed and found to have depression and low cognitive functioning. A caseworker might want to make sure she receives medical services for her depression. She may receive a temporary partial work waiver, providing at least part-time support, but face re-

assessment of her employability after receiving treatment for depression.

Clearly, different state responses are possible in each of these situations, depending on funding capability and the availability of other services. Not all low-income single mothers will be employable in the short run or even in the long run. Some may best be served by being placed in the 20 percent of the TANF caseload that can be waived from time limits. But even highly disadvantaged women can be encouraged to work at least part-time and as regularly as possible. Some women may receive partial benefits over an extended period, with a partial work waiver under this program.

The primary advantage of this system is that it would provide states with flexibility to respond to families for whom current welfare-to-work efforts are not adequate. The system recognizes that not all family heads are able to move into full-time employment and supports them even in some circumstances where TANF funds cannot be used. It recognizes that family circumstances change over time and that women who have trouble holding a full-time job this month might be able to do so in the future. It also allows states to assist and recognize disabilities that are less permanent and severe than those covered by SSI.

A disadvantage of the program is that it would establish a new TANF category with somewhat complex case management. The diversity of needs within this population, however, necessitates extensive case management with multiple service linkages. After all, the greatest value of the program is the flexibility that allows different responses to families with different needs. Still, the primary new part of this program is the assessment and determination system at the front end.

The services it would provide are already available within all states, although there may be limits on how many clients can be served. Services such as payment of benefits and monitoring of work and income levels are standard in TANF programs, and many states already do extensive front-end assessment of new TANF applicants. Women who were referred to additional services would be using existing services for mental and physical health care, substance abuse treatment, or job and child care assistance.

I have described this as a state-specific program responding to the needs of a growing population that is not being served by TANF or SSI. (The details of how the program would interact with TANF requirements would need to be worked out for women who receive some funding from TANF sources.) However, the program could also be more nationally focused. Changing the SSI program over time to allow for more partial or temporary disability determinations would reduce the need for the program.

In states that have 50 percent of their TANF caseload in full-time work activities, as required, the remaining 50 percent of the caseload could be assisted with the assessment and services described in this program. In fact, a woman on TANF might be referred to this program as her work “assignment” by her TANF caseworker. In this sense, the line between TANF cases and cases under the Temporary and Partial Work Waiver Program might be quite blurred; the two groups should overlap.

Finally, this program could also cover people who are not in families with minor children (and not part of the TANF or ex-TANF population). One could imagine using a partial and temporary work waiver system to help

adults in such households who have become disconnected from employment, particularly single men who may be struggling to escape from homelessness or drug abuse problems. The American public has traditionally been reluctant to provide much support to adults who are not caring for children or who are not seriously disabled, however, so expanding the program in this way would take some change in public attitudes.

Cost Estimates

The costs of this program are difficult to estimate, because they depend on many different factors. Let me make a few simple assumptions to provide a ballpark cost estimate. Initial assessments will cost about \$500. This estimate is on the high end of such costs in demonstration projects, but these disadvantaged families will need extensive assessments. Caseload and tracking services will cost \$50 a month, or \$600 a year, as a very rough estimate. If a caseworker handles 100 cases (quite a low caseload relative to many programs, but this population will require more intensive help), the monthly cost would be \$60,000 a year—to pay the caseworker and provide the computer and support services necessary to deal with the caseload.

The cost of referral services (job search assistance, mental health services, substance abuse treatment) depends heavily on the services provided. Costs can range from \$250 for minimal job search assistance to \$5,000 for extended treatment programs. I assume that approximately 50 percent of program participants receive some additional services over a year. The nature of these services varies widely, most states have limited slots for more extended treatments, and even families that receive services will not do so continuously. Hence I estimate the annual cost of additional services at an average of \$1,000

for each family receiving them (whether minimal or quite expensive services), or \$500 per family among all families in the program.

I assume that virtually all women in the program will receive some cash assistance. Some might receive full benefits (if they are fully waived from work); others will receive partial benefits. And I assume that the average fam-

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ily receives two-thirds of the average state monthly benefit, or \$300 a month.

Given these assumptions, the overall cost estimate for the average new entrant into this program in her first year is \$5,200, which includes \$500 in assessment costs, \$600 in case management costs, \$500 in other services received, and \$3,600 in cash benefits. The cost would be lower if states provided fewer treatment and counseling services and if more women received partial rather than full waivers from work. Costs would be higher if states provided more extensive and more expensive health and counseling services. States could make their own cost estimates for this program, based on their estimated client populations and the types of services they are able to provide.

As noted earlier, as many as 2.2 million women are either disconnected from both welfare and work or are long-term nonworkers on welfare. If the new program served

one-quarter of these women, or 550,000 families—a high take-up rate and one likely to result in a maximal cost estimate—the annual cost would be \$2.8 billion.

Not all of these costs would require additional spending. Funds are available from other sources to help provide mental and physical health services, substance abuse treatment, child care, employment services, and other treatment services. For at least some of these women, the cash support dollars can come out of TANF. As noted, the primary new cost to states, in both dollars and management expertise, lies in setting up referrals, providing assessment and case management that allows the states to track clients, and staying in touch to encourage them to increase their work efforts and skills.

Additional Policy Issues

Although the program I have outlined highlights some of the needs of these disconnected families, it is not the only possible way to address their needs. Six additional outreach and policy efforts would reinforce existing welfare-to-work efforts and help low-income working women escape poverty.

First, states should make greater efforts to ensure that low-income families who no longer receive TANF support will have access to the programs for which they are eligible, including food stamps, Medicaid, and the earned income tax credit.

Second, states should make sure that subsidized mental health services are available to low-income persons. Increasing evidence suggests that assistance with depression is particularly important for many women struggling to be effective single parents in difficult economic circumstances.²¹

Third, the federal government and the states should expand health insurance programs to ensure that both adults and children in low-income families have access to medical services. Most of the children in these families are covered by Medicaid, although many low-income children receive no regular medical services. If they are not on TANF or SSI, many of the parents in these families are not covered by Medicaid. Programs that expand the reach of Medicaid (or other low-income health insurance programs) can provide treatment for physical and mental health problems in this population and reduce barriers to work.

Fourth, states should make sure that subsidized programs are available to deal with substance abuse problems and domestic violence.

Fifth, the federal statutes should be amended to ensure that TANF does not count individual months in which a woman on welfare meets work requirements against the overall time limit for benefits. Allowing women to work when they can, without fear that they will lose benefits because of their work, will encourage them to take jobs.

Finally, for families that are not participating in any major public assistance programs, the school system may be the best point of contact with the children. Schools can help monitor children's health problems and work with parents to help find assistance for them. Schools can help ensure that eligible children have school breakfast and lunch services. And in worst-case situations, where parents are in serious difficulty, schools are legally required to identify children who are subject to abuse or neglect.

The Administration for Children and Families within the U.S. Department of Health

and Human Services has launched several demonstration projects to test programs that go beyond current welfare-to-work efforts in helping these mothers move into work. One program now being evaluated in New York City resembles the program I have proposed. The Personal Roads to Individual Development and Employment (PRIDE) program is designed as a special welfare-to-work program for people judged to be "employable with limitations." It includes extensive assessment and a variety of medical services, as well as assistance finding part-time jobs. The preliminary findings of the evaluation are that a significant share of TANF recipients does not qualify for SSI but also does not seem appropriate for traditional welfare-to-work services. PRIDE clients do increase their work levels, although the levels are still quite low and numerous clients are not able to meet their obligations and are therefore sanctioned.²² Such demonstration projects, as well as efforts within many states to serve more disadvantaged TANF populations, provide insight about the most effective ways to support and to encourage work among single mothers who have trouble maintaining stable employment.

Conclusion

A public conversation about women for whom welfare-to-work efforts have failed is long overdue. These women do not always evoke public sympathy. They are likely to live in poor neighborhoods, to have a history of drug abuse or sexual abuse, and to face ongoing mental or physical health problems. Public willingness to help them would be low if they lived on their own—just as there is little public interest in helping low-income men with these same problems. But these women are also mothers whose economic instability,

poverty, and joblessness affect their children's life opportunities. Policymakers' concerns about this population are evident in the growing interest in research and demonstration projects aimed at the hard-to-employ. As findings from evaluations of the demonstration projects become available, they should be used to inform the design and implementation of new programs such as the one proposed here.

The relative lack of information about this population creates policy challenges. High on the policy agenda must be a database that provides better national information on the extent of long-term welfare use and the problems faced by the more disadvantaged women who leave welfare. The growing number of women who report no work and no welfare support is particularly troublesome. To develop effective policy prescriptions, it is essential to know more about who these women are and how they and their children are coping and surviving.

The success of welfare reform over the past ten years demonstrates that low-income women want to work and provide better futures for their children. A surprisingly large share of women has left welfare and entered the labor force, far greater than even the strongest supporters of welfare reform predicted in 1996. Yet some parents require more assistance than others. Although short-term job search assistance has been effective for many former welfare recipients, it is not effective for all. Greater attention must be given to the needs of mothers who face serious barriers in entering the workforce and whose need for ongoing support may continue even if they are successful in finding low-wage work.

Notes

1. The share of long-term recipients in 2003 is estimated at 40 percent in Michael Wiseman, "Three Views of Welfare Turnover" (George Washington University, 2003). The share of the caseload in long-term spells is 45 percent (based on data from the mid- to late 1990s) in Lashawn Richburg-Hayes and Stephen Freeman, "A Profile of Families Cycling On and Off Welfare," report from MDRC to the Office of the Assistant Secretary for Planning and Evaluation, U.S. Department of Health and Human Services (April 2004).
2. Michael Wiseman, "Another Look at Turnover," Research Memorandum, Human Services Policy Division, Office of the Assistant Secretary for Planning and Evaluation, U.S. Department of Health and Human Services (December 2005).
3. Sheila R. Zedlewski, "Work and Barriers to Work among Welfare Recipients in 2002," *Snapshots of America's Families* 3, no. 3 (Washington: Urban Institute, 2003).
4. A review of this evidence is in Richard Fording, Sanford F. Schram, and Joe Soss, "Devolution, Discretion, and Local Variation in TANF Sanctioning," Discussion Paper Series 2006-04 (University of Kentucky Center for Poverty Research, February 2006); see also LaDonna Pavetti, Michelle K. Derr, and Heather Hesketh, "Review of Sanction Policies and Research Studies," report from Mathematica Policy Research, Inc., to the Office of the Assistant Secretary for Planning and Evaluation, U.S. Department of Health and Human Services (March 2003).
5. Lesley J. Turner, Sheldon Danziger, and Kristin Seefeldt, "Failing the Transition from Welfare to Work: Women Chronically Disconnected from Employment and Cash Welfare," *Social Science Quarterly* 87, no. 2 (June 2006): 227–49.
6. See Gregory Acs and Pamela Loprest, *Leaving Welfare: Employment and Well-Being of Families That Left Welfare in the Post-Entitlement Era* (Kalamazoo, Mich.: W. E. Upjohn Institute, 2004); and Sheila R. Zedlewski and Sandi Nelson, "Families Coping without Earnings or Government Cash Assistance," Assessing the New Federalism, Occasional Paper 64 (Washington: Urban Institute, 2003).
7. Papers that discuss these multiple barriers include Sandra K. Danziger and others, "Barriers to the Employment of Welfare Recipients," in *Prosperity for All? The Economic Boom and African Americans*, edited by Robert Cherry and William Rogers (New York: Russell Sage, 2000); Robert Moffitt and others, "The Characteristics of Families Remaining on Welfare," Welfare, Children, and Families Study, Policy Brief 02-2 (Johns Hopkins University, 2002); Matthew Stagner, Katherine Kortenkamp, and Jane Reardon-Anderson, "Work, Income, and Well-Being among Long-Term Welfare Recipients: Findings from a Survey of California's 'Precarious Families,'" Assessing the New Federalism, Discussion Paper 02-10 (Washington: Urban Institute, 2002); Kristin S. Seefeldt and Sean M. Orzol, "Watching the Clock Tick: Factors Associated with TANF Accumulation," National Poverty Center Working Paper Series 04-9, revised (Ann Arbor: University of Michigan, May 2005); and Ellen Meara and Richard G. Frank, "Welfare Reform, Work Requirements, and Employment Barriers," Working Paper 12480 (Cambridge, Mass.: National Bureau of Economic Research, 2006).
8. A particularly good discussion of this issue is in Lisa R. Metsch and Harold Pollack, "Welfare Reform and Substance Abuse," *Milbank Quarterly* 83, no. 1 (2005): 65–99.

9. A good summary of the research literature on health limitations among disadvantaged single mothers is in Mark Nadel, Steve Wamhoff, and Michael Wiseman, "Disability, Welfare Reform, and Supplemental Security Income," *Social Security Bulletin* 65, no. 3 (2003–04): 14–30.
10. A summary of the recent research is in Stephanie Riger, Susan L. Staggs, and Paul Schewe, "Intimate Partner Violence as an Obstacle to Employment among Mothers Affected by Welfare Reform," *Journal of Social Issues* 60, no. 4 (2004): 801–18.
11. See the discussion in Margy Waller and Alan Berube, "Timing Out: Long-Term Welfare Caseloads in Large Cities and Counties" (Center on Urban and Metropolitan Policy, Brookings, September 2002).
12. Pamela Loprest, "Disconnected Welfare Leavers Face Serious Risks," *Snapshots of America's Families* 3, no. 7 (Washington: Urban Institute, 2003).
13. LaDonna A. Pavetti and Jacqueline Kauff, "When Five Years Is Not Enough: Identifying and Addressing the Needs of Families Nearing the TANF Time Limit in Ramsey County, Minnesota," Lessons from the Field (Princeton, N.J.: Mathematica Policy Research, March 2006).
14. Christopher Jencks, *The Homeless* (Harvard University Press, 1994).
15. For more information on these legislative changes, see Center for Best Practices, "The Wait Is Over, the Work Begins: Implementing the New TANF Legislation," issue brief (National Governors' Association, June 14, 2006).
16. Mark Greenberg, "Conference TANF Agreement Requires States to Increase Work Participation by 69 Percent, but New Funding Meets Only a Fraction of New Costs" (Washington: Center for Law and Social Policy, January 11, 2006).
17. For an excellent discussion of the SSI program, see Mary C. Daly and Richard V. Burkhauser, "The Supplemental Security Income Program," in *Means-Tested Transfer Programs in the United States*, edited by Robert A. Moffitt (University of Chicago Press, 2003).
18. For instance, see David Wittenburg and Pamela J. Loprest, "A More Work-Focused Disability Program? Challenges and Options" (Washington: Urban Institute, November 2003); and U.S. General Accounting Office, "SSA Disability: Other Programs May Provide Lessons for Improving Return-to-Work Efforts," testimony before the Subcommittee on Social Security, Committee on Ways and Means, U.S. House of Representatives, GAO/T-HEHS-00-151 (January 2001).
19. Richard V. Burkhauser and Mary C. Daly, "U.S. Disability Policy in a Changing Environment," *Journal of Economic Literature* 15, no. 1 (Winter 2002): 219.
20. Sheila Zedlewski and others, "Is There a System Supporting Low-Income Working Families?" Low-Income Working Families Paper 4 (Washington: Urban Institute, February 2006).
21. Mary Clare Lennon, Juliana Blome, and Kevin English, "Depression and Low-Income Women: Challenges for TANF and Welfare-to-Work Policies and Programs," report from the National Center for Children in Poverty to the Center for Mental Health Services of the Substance Abuse and Mental Health Services Administration, U.S. Department of Health and Human Services (March 2001).
22. Dan Bloom, Cynthia Miller, and Gilda Azurdia, "Early Results from the New York City PRIDE Evaluation," presentation prepared for the APPAM Fall Research Conference, Madison, Wis., November 2–4, 2006. The PRIDE evaluation is being carried out by a random-assessment methodology.